

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902-E) for a Certificate Of Public Convenience & Necessity Valley-Rainbow 500kV Inter-Connect Project.

Application 01-03-036
(Filed March 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
DIRECTING ENERGY DIVISION TO PREPARE
A SUMMARY OF ENVIRONMENTAL WORK TO DATE**

Today I issued my proposed decision in the need portion of this proceeding. My proposed decision finds that San Diego Gas & Electric Company does not have a reliability need in the relevant planning horizon and thus the Valley-Rainbow Project is not justified on a reliability basis. My proposed decision also finds that the proposed project does not provide sufficient economic benefits to justify approval of the project. If the Commission approves my proposed decision, this application will be closed and environmental review of the proposed project will stop.

At the same time, Commissioner Duque issued an alternate decision finding that there is a reliability need in the relevant planning horizon. If the Commission approves the alternate decision, the application will remain open and the environmental review will continue.

Based on my conversations with Energy Division, it is their expectation that the Draft Environmental Impact Report/Environmental Impact Statement (DEIR/EIS) will include an appendix that contains an extensive analysis of

numerous alternatives and an assessment of the alternatives against various screening criteria, which will ultimately determine whether the identified alternatives are considered feasible to carry forward to full analysis in the DEIR/EIS. In the interest of preserving the environmental work done to date in the event my proposed decision is adopted, I direct Energy Division to prepare, file, and serve within 30 days of this ruling, a document that provides a preliminary alternatives feasibility analysis based on the information developed to date. While this analysis will be made public, it is intended only as an informational document to ensure a clear public record of the analysis performed to date in the event that the Commission rejects the Valley-Rainbow Project and further California Environmental Quality Act/National Environmental Protection Act (CEQA/NEPA) work ceases. This analysis is not offered for public comment and is not intended to act as a final CEQA/NEPA document. If the Commission decides that the Valley-Rainbow Project is needed then the document will be updated and incorporated into the DEIR/EIS as an appendix.

Until the Commission acts on my proposed decision or the alternate, I direct Energy Division to continue its environmental work assuming a project is needed. Parties are instructed to respond promptly to any outstanding or new data requests from Energy Division despite the uncertainty over whether we will proceed to a full DEIR/EIS for the proposed project.

IT IS RULED that Energy Division shall prepare, file, and serve within 30 days of this ruling, a document that provides a preliminary alternatives feasibility analysis based on the information developed to date.

Dated October 21, 2002, at San Francisco, California.

/s/ MICHELLE COOKE

Michelle Cooke

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Directing Energy Division to Prepare a Summary of Environmental Work to Date on all parties of record in this proceeding or their attorneys of record.

Dated October 21, 2002, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.